Previous references.

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1900.

Serial Nos. /

(Gen. Fin)

Later references.

GENERAL AND REVENUE SECRETARIAT.

P. 55/E

Indexed

Serial Nos. /

Part B. for

SUBJECT.

Mr. Biddulph's report on Palace accounts and draft of instructions to the Palace Controller.

81 D.O.- dated the 5th March 1901 from the Palace Controller.

Forwards a copy of Mr Biddulph's report.

Gen. Fin 32 of 1900.

Memo submitted to Her Highness the Maharani Regent.

Submitted.

Intd. J.A.C.

19-7-'97.

I. I submit herewith Mr. Biddulph's report on the Palace Accounts dated 15th April 1897, together with appended forms and statements. In the margin of this report I have made a few remarks for H. H!s consideration or by way of explanation.

I did not formally submit this report earlier, as I wished, with it to submit also Mr. Biddulph's Draft of instructions relating to the Palace Accounts, as this draft would enable us to deal with Mr. Biddulph's remarks and suggestions, in a final, definite and practically useful way.

II. I submit also his draft of proposed Instructions, which in a complete form was received by me on the 3rd instant.

III. I append also a separate Memo regarding the proposed instructions.

Sd/. K. Seshadri Iyer.

17th July 1897.

IV. On receipt of Mr. Biddulph's revised draft of proposed instructions the same can be issued, and no further actione would be required except in regard to matters referred to in paras

2

152 to 162 of Mr. Biddulph's Report.

Sd/. K. Sheshadri Iyer.

17-7-'97.

The Dewan conceives that at his interview with Her Highness on Thursday last he correctly interpreted her wishes as recorded in his marginal notes on Mr. Biddulph's Report (para 3) a copy of which notes now submitted by the Dewan for easy reference, is appended.

But the Dewan is anxious that Her Highness' special attention should be invited to those notes in case he may have in any way misapprehended her wishes - namely that the Civil Controller should continue to have as at present, powers of control and audit over the Palace Controller's Accounts.

The appended copy of notes is therefore, at the Dewan's request, submitted for Her Highness's consideration when passing orders on Mr. Biddulph's Report.

Sd/. J.A. Campbell.

20th July 1897.

M E M O

Draft proposed instructions regarding the Palace Accounts.

Submitted to Her Highness the Maharani Regent.

Sd/. K. Sheshadri Iyer
17th July 1897.

Submitted.
Intd/.J.A.C.
19-7-'97.

Under Her Highness the Maharani Regent's sanction I requested Mr. Biddulph to prepare a draft of instructions which he would recommend to be laid down for the guidance of the Palace Controller. Mr. Biddulph has prepared the appended draft in compliance with that request, and after careful study I think that the draft is on the whole very suitable, and there is only one matter which requires some consideration.

2. Hitherto the Palace Controller and his Treasury have been regarded in one sense as one of the Treasury Officers and Treasuries subordinate to the Civil Comptroller. The Palace Controller dealt with only the actual balance in cash, advances &c appearing in the Palace Treasury Accounts, and not with the total balance of the Persohal Estate, including that with the Civil Controller and the investment Account. The Palace Controller obtained the funds he required from time to time by requisition on the Civil Controller and he only dealt with the funds thus obtained and with miscellaneous Items of direct receipts, such

as proceeds of Palace lands, repayments of advances and loans from the Palace Treasury, &ca. Thus Items I & II and Debt head IV (in the abstract now proposed) did not appear in his accounts. Under this system the entire Palace account could be completely furnished only by the Civil Controller amalgamating his own with the Palace Controller's accounts.

3. Mr. Biddulph's Draft contemplates a change, whereby the Palace Controller would be enabled to compile the entire Palace account himself. This change is a desirable one. Last Thursday Her Highness, while generally approving of the proposed change, expressed the desire that the Civil Controller's power and responsibilities as regards control and audit of Palace Accounts, should not thereby be lessened in any way and that they should be expressly laid down in explicit terms. In fact Her Highness' opinion is (1) that the change should be confined to the object in view, namely that of making the Palace Account contain complete information regarding the transactions of the year, (2) that the relation between the Palace and Civil Controllers should not be that of two Account Officers merely exchanging Accounts but that the Civil Controller should have powers of Control and

and audit over the Palace Controller's Account as at present but laid down in express terms; (3) that the Investment Account of the Personal Estate should continue to be as at present.

4. Mr. Biddulph with whom I discussed the subject today, assures me that his scheme is in full accord with Her Highness' views as set forth in the preceding para; at any rate he intended no other result and he has promised to again study his Draft and after consultation with the Civil Controller to make it quite explicit, so as to prevent future doubts or differences of opinion.

5. On receipt of the revised Draft promised by Mr. Biddulph, I shall at once submit it for Her Highness' formal final sanction. Meanwhile I submit this Memo for Her Highness' information.

Sd/. K. Sheshadri Iyer.

17th July 1897.

Offg. Dewan's Note dated 22nd February 1901, on Huzur Treasury Deposit Account with the Bank of Madras to the Civil Comptroller.

Please note whether in regard to Palace a separate account may not be kept with the Bank. There is a good deal of confusion in the Palace Account On 19th instant Mr. Vyapuri Chetty was unable to give me readily certain information I wanted in regard to a few items of Palace receipts and expenditure, as State and Palace Accounts have been mixed up together. Why not keep State Account as No. 1 and Palace Account as No. 2.

I will be in Office today at 1 p.m. and I shall be glad to see the Comptroller about this.

Government Civil Comptroller's Memo dated 22nd February 1901, on the Offg. Dewan's Note on Huzur Treasury Deposit Account with the Madras Bank.

If the Civil Comptroller be relieved of all responsibilities in regard to Palace transactions both in regard to cash and investments and his duties be confined only to paying to the Palace Controller the Annual Civil List and the Princess' pensions &c, either into the Bank at Bangalore or into the Palace Treasury and if the Palace Controller were to undertake the sole responsibility of receiving the same rendering accounts therefor and to make his own arrangements for collecting Palace Revenue account in the Districts and for paying Palace pensions &c outside Palace Treasury and in the Districts and also to make his own arrangements for remitting money outside the Province, the Civil Comptroller's accounts will be quite free of all Palace Transactions.

The invested Funds of the Maharaja's Surplus, of the Palace Special Fund and the Funds of the two Princesses may also be transferred to the Palace Controller who can realize the interest and render necessary accounts

I do not know in what st[illegible]

two independent accounts can be kept now do I understand in what way the Provincial and Palace Accounts are mixed up.

Wear after year Palace Annual accounts are separately compiled in this Office and rendered to the Dewan. There was hitherto no complaint of any confusion in these accounts nor did Mr. Biddulph who examined these accounts for 1894-95 make any such complaint but found them in order.

I am satisfied and I can assure the Offg. Dewan that there is absolutely no confusion in the Palace accounts hitherto rendered by this Office.

Offg. Dewan's Note on Comptroller's Memo dated 22nd February 1901, dated 22nd February 1901.

The question is how to make the Palace Accounts tally with those kept by the Civil Comptroller. In this respect what did Mr. Biddulph suggest? What will Mr. Subrayer suggest? The system which should be adopted is what would ensure both Accounts tallying.

Comptroller's Memo dated 9th March 1901.

Please see page 52 of the Comptroller's Office Manual and the Palace Controller's Manual in re Palace Accounts.

Basing on these instructions and on the forms prescribed by Mr. Biddulph instructions were issued to the Palace Controller in this Office No. 1309 dated 13th August 1900 and a manuscript form was sent for adoption.

The Palace Controller continues to send his accounts in the old form. A letter was again written to him on 31st January 1901 asking him why the new form was not adopted. These letters and the Palace Controller's reply are herewith submitted.

I also submit herewith sample forms of the accounts which I since got printed.

If these simple forms which Mr. Biddulph has recommended and which have my complete approval be adopted and if the Palace Controller strictly follows the instructions given in his Office Manual, complete agreement of both the Civil Comptroller's and Palace Controller's Accounts can be secured month after month and also at the end of each year.

At the time when Mr. Biddulph prepared the Manuals and the forms of Accounts there was a branch of the Madras Bank at Mysore in which funds required by the Palace Controller were placed to his credit. Now that that branch has been abolished the forms of the Accounts have been modified on that account and the rules in the Manual also will be similarly modified the system of Accounts remaining the same and the principles laid down therein being strictly followed.

Having been ordered by Government that I should follow in entirety the rules and principles laid down in my Office Manual I ventured on that authority to issue the needful instructions to the Palace Controller.

It is for this Office to obtain any higher authority that he considers necessary for giving up the old system and adopting the one prescribed by Mr. Biddulph and approved of by the Comptroller who as the Chief Account Officer of Government is called upon to consolidate these accounts and submit to H.H. the Maharani Regent through the Dewan.

Comp.r
MG

ABSTRACT OF STIPENDS.

	2 Monthly stipend amount To agree with standard list and col. 4 of bill	3 Deduct deaths, fines and stoppages To be taken from col. 6 (*b*) of bill	4 Net charge for month	5 Add arrears To be taken from col. 8 (*b*) of bill and to agree with col. 7 of abstract of previous month	6 Total payable To agree with col. 7+6 (*a*) of bill	7 Deduct amount unpaid during month and carried over to next month's bill as arrears To be picked out from body of bill	8 Balance being amount paid during the month To agree with No. 9 of b
Rajabandhus—							
Town ..							
Village ..							
Komars—							
Town ..							
Village ..							
Sivachars—							
Town ..							
Village ..							
Total Rajabandhus							
Illegitimate grandsons ..							
Hony. musahebs ..							
Grand Total ..							

PALACE OFFICE,

Mysore,.....189

Palace Controller

Genl Abstract of the Receipts an

Receipts	Details	Total
Total Receipts for the month.		
I Civil List		
II Miscellaneous Income –		
1. Interest		
(a) On Government Securities		
(b) On Impost Departures		
(c) On Loans		
(d) On Fixed deposits		
(e) Miscellaneous		
Total Interest		
2 Miscellaneous Receipts		
3. Recoveries of loans written off		
Total II		
III Items Recoverable from Government		
(1) Hills Calcheeri		
(2) Fixed allowances to Temples		
(3) Miscellaneous.		
Debt Head		
IV Sums placed at credit of the Palace Controller with Madras Bank, Impost –		
V Advances.		
(1) To Mercantile Firms or Banks &c		
(2) To Stipendiaries or Palace Servants		
(3) Loans.		
VI Deposits		
VII Payments into Government Treasuries by Palace Controller.		
Grand Total.		

Charges of the Palace Controller for ---------

Charges	Details	Total
Service Payments		
A. Stipend		
B. Departmental Charges.		
C. Gifts, Donations, Subscriptions.		
D. Purchases		
E. Maharanas-		
F. Tours.		
G. Extra Ordinary Charges		
H. Marriages.		
Total I Service Payments		
II **Charges debitable to Government**		
Debt Head		
III Sums placed at the credit of Palace Controller with Madras Bank, Mysore.		
IV Advances		
(1) To Mercantile Firms, Banks &c.		
(2) To Stipendiaries, Palace Servants &c		
(3). Loans -		
Total IV		
V Deposits.		
VI Payments into Government Treasuries by Palace Controller		
Total		
Closing balance		
Grand Total.		

Palace Controller

Assam SG

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	(a) Serial No	(b) Original No	(c) Name	Per

d	e Balance brought forward from last Statement.	f Current month	g Total	h Date of payment	h(i) Amount paid.	i Remarks

Departments		2 Amount To agree with col 8 of D and Standard list.			3 Deduct deaths, fines Stoppages. To be taken from col 6 of D.				4 Net Abstract To agree with col. 5 of D			
	No	Rs	as	ps	No	Rs	as	ps	No	Rs	as	ps
Personal Officers.												
Private Secretary												
Palace Controller												
Assistant Private Secretary												
Military Bakshi												
Total Rupees.												
Establishment												
Office												
Chamundi Hotti												
Zenana Sannidha												
Zilla Cutcherry												
Avasarada Hobli												
Karobatti												
Gajasala												
Lokaranjan Mahal												
Aswasala												
Maharanial Cutcherry												
Education												
Zoological Garden												
Switch Room												
Medical												
Miscellaneous												
Total Rs												
Grand Total Rs.												

Palace Office

Mysore —— 189.

Total Charges

15

5	6						7			8			9		
Undisbursed and irrecoverables to mean Statement A. To be taken from Col. 5 of Q.	Disbursed. Current Month To be taken from col. i (1) of B.			Arrears To be taken from col. h (1) of B.			Total Establishment			Supplies			Contingencies			Grand Total.		
Rs.	Rs.	as.	ps.	Rs.	as.	ps.	Rs.	as.	ps.	Rs.	as.	ps.	Rs.	as.	ps.	Rs.	as.	ps.

angalore

16th March 1901.

My dear Sir,

Mr. Thumboo Chetty desires me to send you a clean typed copy of Mr. Biddulph's notes made from the copy you sent me and to invite your attention to the Offg. Dewan's remarks dated 9th instant on the margin thereof. I am also to send you copies of his notes on the Comptroller's Memos and to request you to inform what objection there is to carry out Mr. Biddulph's instructions & suggestions and to adhere to the forms of accounts suggested by ~~the~~ Mr. Subbayer. The present state of Palace accounts do not tally with the Comptroller's which the Offg. Dewan considers un-

Gen. Fin 32 of 1900

GOVERNMENT OF MYSORE

Mysore,
6 March 1901.

Sir,

The type-written copy of the Postage Report on the Palace accounts was returned to the Private Secretary to H.H. the Maha Rani-Regent. A Copy of the above claimed in this office is herewith sent, as requested by Head clerk, Siva Gnanam Mudaliar.

Kindly return the same when done with.

I am Sir,
Your Most obedient Servant,

C. Sitharama Iyer, Esq.
Assistant Secretary to Govt.

REPORT ON THE PALACE ACCOUNTS.

Submitted to H.H. the
Maharani Regent with a Memo.

Intd/. K. S.
17-7-1897.

Submitted.

Intd/. J.A.C.
19-7-97.

Received back 1-9-97.

NOTE

Budget for 1897-98 taken out for reference.

2-9-97.

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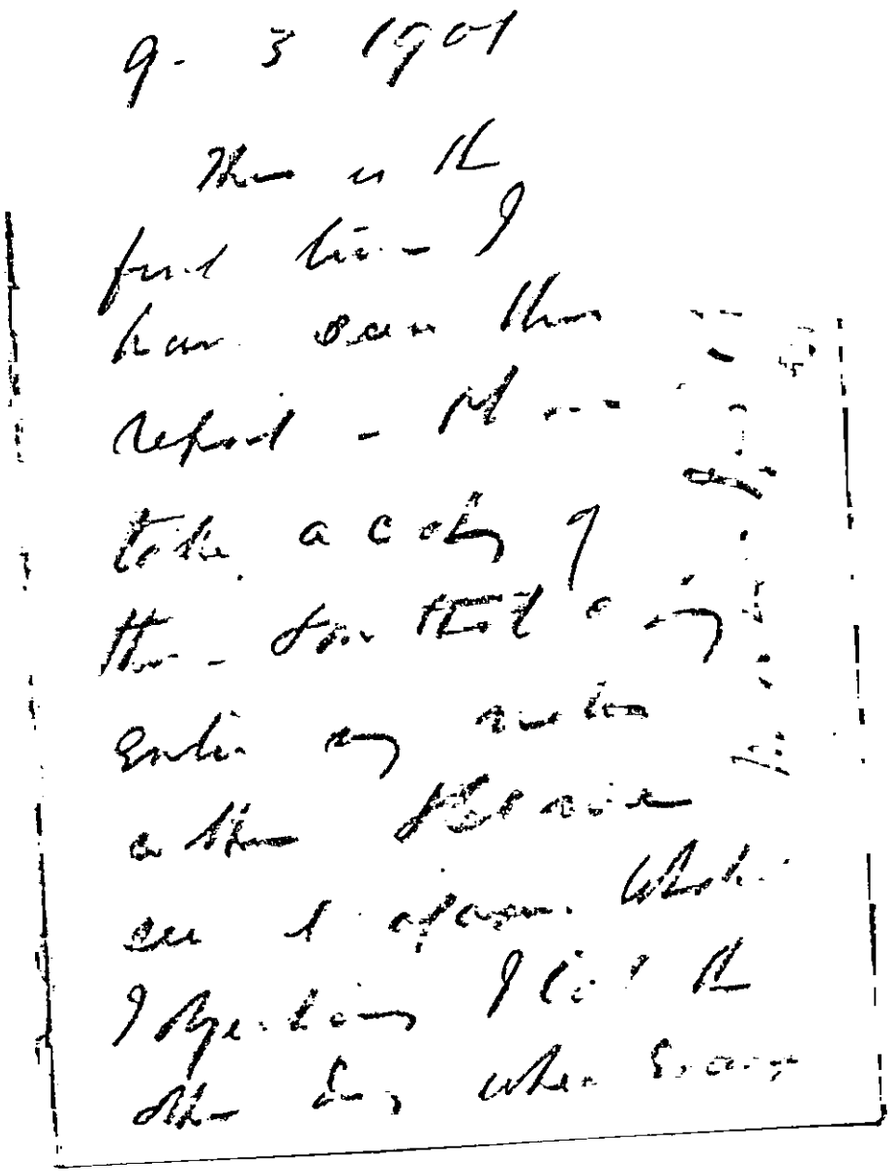

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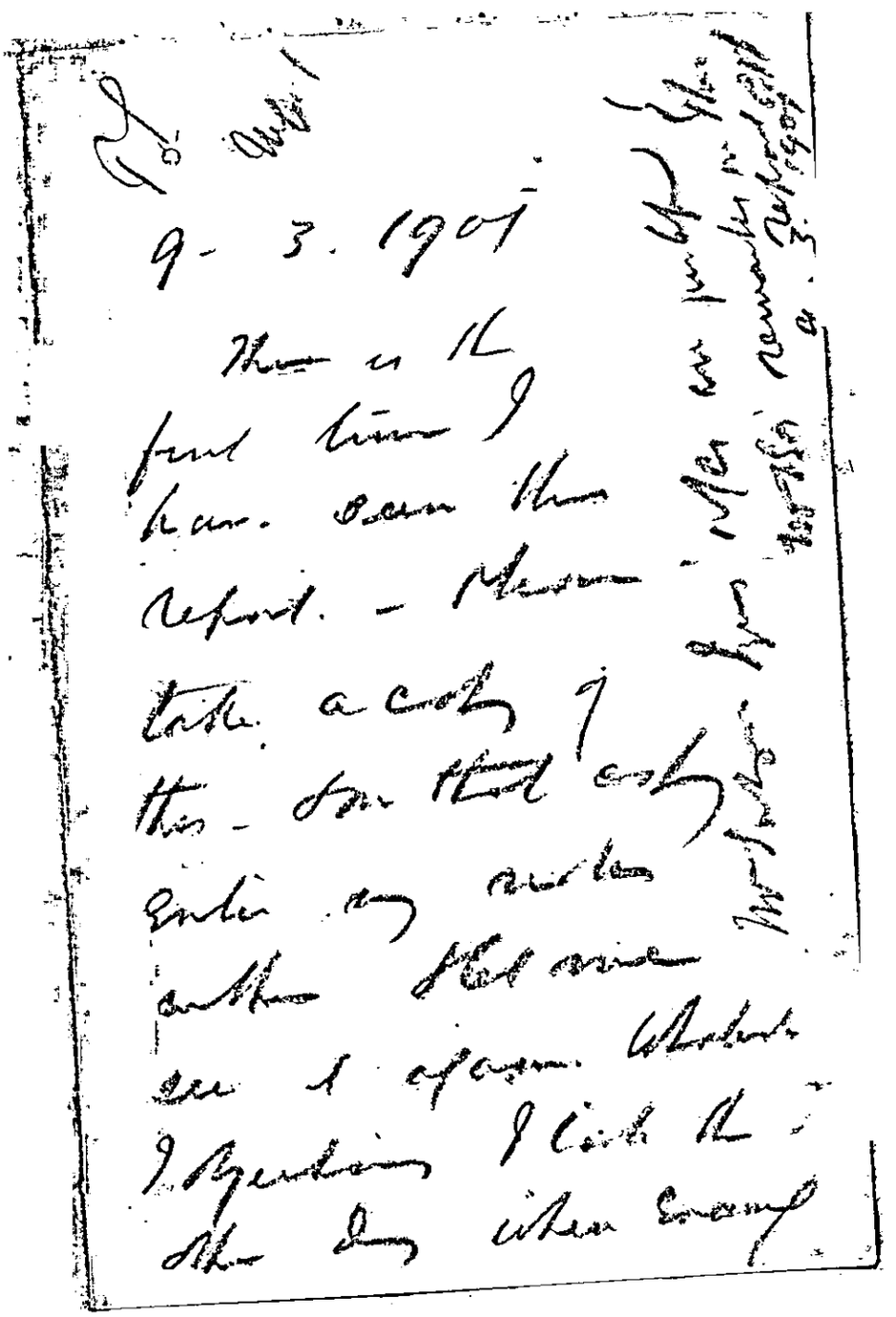

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NOTE

Budget for 1897-98 taken out for reference.

2-9-97.

Report on the examination of the Palace Accounts.

My instructions were:-

1. To make an examination of the Palace Accounts.

2. To conduct an audit of the Accounts so far as the system admits.

NOTE

It may be as well to state at once, that it was not found possible considering the time and establishment available, and the nature of the Accounts, toconduct a regular audit as originally intended. I therefore confined my efforts to a careful examination of the various accounts kept, and the methods adopted for checking expenditure.

3. To submit a report, on the result of my enquiries together with classified list of Income and Expenditure and such suggestions, for the improvement of the system of Accounts, as might occur to me.

The Palace Accounts.

1. Supply of funds - The Palace Controller's office consists of two departments.

a - The Treasurer's Office.

b - The English Office.

3

2. The Controller is supplied, with funds by payments made to him from time to time, by the Mysore Branch of the Madras Bank, which are charged to an account which that Branch keeps with the Dewan.

3. The Bank has no accounts with the Controller, and the latter takes over at once in a lump sum, such amounts, as the Branch Bank is authorized to pay him.

Remarks.

4. I think it would be convenient if the Branch Bank were authorised to open a floating account with the Palace Controller, to which would be credited, such sums, as are placed at the Controller's disposal.

The system of payment by cheques may be tried. The limit of Rs. 100 would not of course include salaries stipends &c. The new Palace Controller may be asked to try the system tentatively and report results at end of 6 months. The limit may be even 500.

Intd/. K. S.

5. Instead, then, of taking over these sums in the lump, the Controller would be able, to make many of his more important payments by cheque, drawing such sums as the Treasurer might require for the disbursement of stipends, salaries, &c of small amount A limit might be fixed say Rs. 100/ over which payments to individuals, might be made by cheque.

6. This procedure, would, reduce the handling of considerable sums both on receipt from the Bank and on payment.

7. Chaques would be made out in the Treasurer's Department and would

be passed by the Palace Controller.

8. The Treasurer's daily cash account would shew separately sums paid in cash and those paid by cheque, and his daily balance would shew so much in cash and so much at the Bank.

9. The cheque book would be in the personal custody of the Palace Controller, and would be issued, to the Treasurer as required, and returned the same day.

10. The Bank would furnish the usual pass-book which the Controller would examine and compare with the counterfoils of the cheques, from time to time and always when preparing his monthly accounts, due care being taken to see that any difference between the balance shewn by the Treasurer and that exhibited in the Bank pass-book, was accounted for by unpaid cheques.

11. In the following paras, I propose taking up each head of Receipt and Expenditure explaining how they are dealt with by the Palace Controller and recording such remarks, as I have to offer on each.

12. The order is that adopted in the Palace Controller's monthly accounts submitted to the Civil Comptroller.

5

13 Balance - This at present consists of :-

1. Unadjusted Advances.

2. Cash balance.

Remarks.

14. . The first item should be excluded; the unadjusted advance balance should be shewn in detail in a plus and minus Memo under the following entries:-

(a) Temporary Loans.

(b) Loans bearing interest.

(c) Advances Recoverable.

(d) Payments on account to contractors and so on. Amount credited on account of Personal Estate. These should be specified in greater detail. Reference to this will be made in the suggestions on revised system of accounts.

Expenditure.

A - Stipendiaries of H. H. the Maharaja's family and Palace Pensions :-

15. I. Rajabhandhus - The bill is prepared in the Dafter Katcherri. It is checked in the Treasurer's Department with the last bill and submitted to the Palace Controller who countersigns it, and it is then paid.

16. All pensioners are required to appear in person and are identified by a Special official who deals with the family records.

17. In the Treasurer's Department a Dr. and Cr. account is kept of arrears undrawn and paid. Meantime the Dafter Katcheri also furnishes the Palace Controller with an abstract of the bill, shewing so many incumbents at the various rates per mensem. This is checked with the last statement of the same kind subject to any subsequent modifications and again with the detailed bill after payment at the treasury.

Remarks.

18. In the first place the Controller's Office (as distinguished from the Treasurer's Department) ought to check the bill with the last paid, see that any variations are correctly charged and generally satisfy the Controller that it is in order.

Yes.

Intd/. K. S.

19. A famine allowance was granted some years ago to certain stipendiaries by H. H. the late Maharaja owing to scarcity prevailing at the time and this allowance has since been continued; it would perhaps be as well if Her Highness reconsidered this allowance and definitely sanction its continuance or not as may be considered best.

Submitted.

Intd/. K.S.

20. Two scholarships have been granted and included under stipends. They would I think be shewn separately

I agree.

Intd/.

or declared to be ordinary stipends and treated as such.

21. The arrears of each stipendiary are brought forward from month to month in the bill and should be very carefully checked by the Palace Controller.

22. A running total should be made in the monthly bill under each division, and a grand total for all stipends. At present each page has a separate total and no result can be arrived at without a separate compilation.

Registers and Forms to be maintained.

23. A. Standard List to be prepared and kept in the English Office correct ed up to date, shewing No., name, and amount of stipend.

B. - Monthly Bill. Prepared in the Dafter Kacheri, should be checked in the English Office before countersigna ture and payment.

Details of monthly bill.

Cols. 1 & 2 Serial No. and name of stipendiary, to be printed.

3. Arrears:-

(a) Period

(b) Amount; to be checked with last bill and col.7 of abstract of previous month.

4. Fixed amount for current month to be checked with standard list.

5. Total.

6. Deductions.

(a) On account of repayment of loan.

(b) on account of death, fine &c.

7. Balance payable.

8. Date of payment) To be filled
9. Amount paid) up at time of
10. Acquittance)) payment.

24. C. Abstract - To be prepared by the English Office after payment, proving the results arrived at in the bill.

Details of Abstract:-

Col. 1. Name of Divisions.
2. Current month's claims to agree withstandard list, and Col. 4 of bill.

3. Deduct on account of death &c to be taken from Col. 6 (b) of bill.

4. Nett charge for month.

5 Arrears ; to be taken from Col. 3 (b) of bill and to agree with Col. 7 of abstract of previous month.

6. Total payable to agree with No 7 plus 6 (a) of bill.

7. Deduct amount not paid and carried over to next month's bill as arrears; to be picked out from body of bill.

8. Balance being amount paid during the month to agree with No. 9 of bill.

25. 2 - Allowance to Illegitimate Grand-sons. There are only four pensioners; a personal ledger account is kept with each in the Treasurer's Department.

Payments are made at the Treasury and the claimants acknowledge receipt in a book.

26. 3 - Honorary Musahibs. Five of these are paid monthly and one annually. The stipends are recorded at the end of the Rajabhandhu bills.

The charges under these two heads may with advantage be treated in the same manner as Rajabhandhus.

27. 4 - Palace Pensions. A register of pensioners is kept which runs for seven months only.

28. Pensions are disbursed on a fixed day every month and absentees being paid next month; further payments during the month being only made in exceptional cases.

29. Usually pensions are paid in the presence of the Controller. Each pensioner presents his pension roll when paid by the Treasurer who records the payment on the roll, the payment being also entered in the register of pensions in the appropriate column for the month concerned.

30. When the payments are completed the register is totalled to represent the bulk of the pensions paid that month.

31. The spaces opposite the absentees are left blank denoting that no payment has been made during that month in those particular cases.

32. If paid next month the total of two months will be posted in the next month's column, the first column remaining blank.

Remarks.

33. In cases where arrears are paid on account of months the columns of which were left blank on the same page, the payment can easily be verified by the number of blank columns into the rate but when fresh pages have to be opened the balance payable is not brought forward and reference has to be made to some other part of the register. This should be rectified.

34. Payments made in exceptional cases during the course of the month are entered in the cols. for that month with a note of date of payment.

35. These entries are not included in the total as the column has already been totalled after the first day's payments. They should certainly be

entered at the end of the register and a grand total of the month's transactions brought out.

36. There is a register of permanent payable orders (P.P.O) which provides for the audit of pensions and was in use till 1881-82 since when it has not been used for audit but only as a register of P.P.O.

Remarks.

37. This register should contain a record of all Palace Pensions whether paid at Mysore or thro' the agency of the Civil Department.

38. Payments made by the Palace Controller could be entered against the names of the pensioners from the Register of pensions alluded to above and payments made by the Civil Department would be intimated to the Palace Controller thro' the exchange schedule which will be referred to further on.

39. It is the practice to send to the Chief Secretary's Office all cases of pensions sanctioned by H. H. the Maharani for note; after which the pension roll is sent to the Civil Comptroller who signs and numbers it and returns it to the Palace Controller who also numbers it in the P.P.O. register and delivers it to the party concenred.

12

Necessary for audit purposes only, I should say.

Intd/. K.S.

40. As the Civil Comptroller exercises ~~no~~ check over Palace Pensions and does not report on the claimants service it is a question whether this procedure so far as he is concerned is really necessary.

41. Whenever a pensioner who is paid thro' the Civil Department dies intimation should be sent to the Palace Controller by the Civil Comptroller so that the former may keep his P.P.O. register up to date. The last P.P.O. No. is 1391 and the number paid from the Palace is 205.

42. A new register might be opened in which pensioners still alive would be recorded so as to ascertain the exact number in existence.

43. The register should be subject to a periodical review to see whether all deaths &c have been noted.

44. The above suggestions involve little or no extra work. The audit register will not occupy a clerk more than one day to post a month's entries and the provision for twelve months entries instead of seven months entries to the pension register will save a good deal of time and trouble.

B - Establishment charges:-

45. I. Palace Establishment and Contingencies - The Establishment is

divided among some sixteen Departments Suggestions relating to the audit and classification of charges will be found elsewhere.

46. 2. Personal Officers - The Private Secretary is paid thro' the Bank of Madras. The Assistant Private Secretary is paid in cash. The Controller and Military Bakshi being "lent" Officers are paid from the District Treasury the amount being charged to the Palace by the Civil Comptroller.

Not "lent"

Reason for payment in District Treasury not clear.

Intd/. K.S.

Pay of Establishment.

47. A. - The pay bill is prepared by each Department in the following form:

(a) Serial No.
(b) Appointment
(c) Name
(d) Pay for month.
(e) Fines &ca.
(f) Nett amount payable.
(g) Deduct advances recovered.
(h) Balance payable.
(i) Date of payment.
(j) Acquittance.

A column should be added for "Amount paid" after (i).

The bill is checked by the treasury with reference to former bill and countersigned by the Controller before payment.

14

48. B - At the beginning of the following month, amounts not paid are carried into arrear statement in the following form:-

(a) Aerial No.

(b) Original bill No.

(c) Name

(d) Period

(e) Balance from last arrears statement.

(f) Arrears for month.

(g) Total.

(h) Date of payment.

(i) Acquittance.

A column "Amount paid" should be inserted after (h).

49. The arrears statement for May is prepared early in July and contains pay for May undisbursed in June. These amounts may be paid in the same month viz:- July.

50. C - Besides this an account in a plus and minus form is maintained in the Treasury. At the end of the month the total unpaid arrived at in the arrears statement is added to the balance of arrears and as payments occur they are entered and deducted from the balance, the acquittance roll being taken in this account and a note being ~~paid~~ made in the arrears statement.

51. D - On receipt of the accounts

in the English Office an abstract is made. The form of this abstract needs slight alteration.

Remarks.

52. A standard List should be maintained in English of the Establishment. On a certain date, and corrected from time to time as necessity occurs. This list should be in detail for superior establishment, shewing No., name and amount of pay; and as regards menials, totals of each kind of appointment, rate and total for each class.

53. Form D. should be prepared in the English Office from sources noted in various cols. and should prove the general results arrived at in the Treasury and should on no account be a mere copy of compilations received from the Treasury in the vernacular.

54. This remark also applies to the abstract of stipends - C - Supplies.

55 - I - Daily Supplies — The Mothikhana department arranges for the issue of all supplies; contracts are arranged by the Palace Controller and the rates charged are checked by the Mothikhana Department.

56. The process of obtaining supplies adopted by the various

Departments is as follows:-

57. Each Department sends its indents (A) monthly to this Department thro' the Palace Controller who countersigns them.

58. On receipt of the indents orders are issued to the Contractors comply with them taking receipts (B) from the Departments concerned.

59. These receipts are taken from counterfoil books supplied by the Controller who initials each book and certifies to the No. of forms it contains, each book also bears a stamp.

60. At the end of the month each department sends to the Palace Controller an abstract (C) compiled from the counterfoils of its receipts for the month.

61. On the 5th of each month the Contractors submit their receipts to the mothikhana department thro' the Palace Controller.

62. Two abstracts are then prepared (D) shewing usual supplies and (E) special supplies by each contractor to each department.

63. The grand total of both abstracts represents the entire quantity of articles issued to each department,

the cost of each article and the total cost of articles for the month.

64. From these abstracts are prepared statements (F) which shew the value of all ordinary articles supplied to every department and a lump item of all special supplies (for the various religious ceremonies); another statement(G) is prepared shewing the amounts due to each contractor and chargeable to Marahamat

Kille Kacheri

Ordinary supplies

special supplies.

65. When payment is made each contractor's signature is taken on this statement.

66. The receipt (B), the abstract (C), (D), (E), (F), (G) are all submitted to the Controller and subjected to check in his Office while duplicates of (F) and (G) are sent to the Treasurer to enable him to pay the Contractors.

67. As the Contractors keep their supplies on the premises and are on the spot they are able to watch personally the preparation of the abstracts &c in which they are interested and do not prepare or furnish any bills themselves.

18

68. (B) & (C) furnished independently to the Palace Controller from the various departments, enable him to check (D) (E) (F) & (G).

69. Besides supplied received thro' the Mothikhana Department each department holds a permanent advance and incurs special contingent charges, bills for which are examined and passed by the Palace Controller.

Remarks.

70. So far as accounting for articles received in the varicus departments and dealings with the contractors are concerned the system of accounts seems to be satisfactory the difficulty of check arises over the indents and demands of each department

71. Where these can be exactly or approximately fixed the utmost care should be taken to secure this and to compare actual results with such standards as it may be found possible to frame.

In certain departments such as:-

(a) The Zoological collection

(b) Stables
(c) Elephant Establishment.
(d) Dairy establishment

(e) Fixed presents of money or articles for certain festivals.

72. Some sort of standard of cost

19

If the amount of detail involved is not prohibitive, this is well worth a trial.

Intd/. K.S.

according to the existing state of affairs on some given date might be prepared and this might be revised from time to time.

73. Such standards would afford a rough check over any very considerable variations.

74. Elsewhere I have given certain statistics furnished to me for (a), (b), (c), (d), above, which exemplify what I mean.

75. As regards the stables however I notice that the average of horses is placed at 59 though it is probably nearer 80; but the lower figure is owing to the head "Tour" being improperly charged with <u>all</u> supplies during a tour the charge not being correctly distributed to the various heads. This will be noticed further on.

76. The present system under which <u>all</u> supplies are charged to one head "supplies" instead of to the departments supplied is radically wrong and interferes with the methodical distribution of charges in view to exhibiting the cost of each department of the Palace. I propose to arrange for the classification by departments. This will be noticed in my proposals for a re-arrangement of the classification of receipts and charges.

77. 2. Special gifts and supplies.-

These are charges connected with religious ceremonies; they are usually fixed for each ceremony and are susceptible of more complete control by the Palace Controller than other items which come under the head of C - Supplies.

78. 3.- Purchases- This includes jewels, bullion, plate, valuable cloths, carriages, horses, furniture &c.

79. Payments are usually made by the Palace Controller or on his behalf by the Civil Comptroller.

Remarks.

80. An effective check over this branch of the expenditure seems very difficult, indeed economy here depends more or less on the personal control of Her Highness, under whose orders most of the purchases are made.

81. The charges in the accounts are, like other heads, supported by a schedule. This shhedule should only contain such items as can be carried into a stock register to be kept by each department and by the Palace Controller. The schedule should contain a column in which to enter the department to which the article purchased was made over.

The Palace Controller should be asked to carry out the suggestions regarding stock @ register. They are very necessary I think.

@ Paras 81 to 92.

Intd/. K.S.

82. Small items suchas "repairs" and other unimportant and petty items should be excluded from this account and be charged to contingencies of the department concerned.

83. Stock$ registers of jewellery and bullion are kept and were examined as shewn further on but the following suggestions are made in view to this matter being dealt with methodically.

84. The Palace Controller should keep in the English Office a stock register by departments into which every item appearing in the purchase schedule should at once be posted. As articles are sold or given away or written off as useless or worn out they should be struck off the stock register under the Controller's initials.

85. A progressive total in each department should be brought out and entered in an abstract which would collect all the departmental totals and shew a grand total of stock.

86. There should be no exception to the rule that every single item for which a charge appears on the purchase schedule should be immediately brought on the stock registers, both those kept in the departments and that

kept by the Palace Controller even though the article purchased is there and then given away. This rule is of the utmost importance.

87. The valued of any articles removed from the Controller's stock registers during any month would be deducted from the progressive total of the department concerned, the net progressive total being brought cut in the abstract.

88. At present manufactured articles do not appear anywhere.

89. In the cases of gold and silver bullion purchased for the manufacture of plate or jewellery each will of course be entered in its appropriate part of the register as purchases occur.

90. When articles have been manufactured and the value of gold or silver used plus the cost of workmanship &c which will appear in the purchase schedule, ascertained, the value of the articles should be brought on the stock account of jewellery or plate and the gold or silver bullion account decreased by the value of the actual issues of either metal.

91. The value of the articles bruoght on the jewellery or plate stock register will of course be the value of metal plus cost of workmanship.

92. As opportunity occurs the Controller's stock register should be compared and checked with the departmental registers. At the end of each year there should be an independent valuation of all articles on hand brought on stock during the year. Thi would provide to a certain extent a guarantee that the articles on hand fairly represented the value paid and would be a check against overcharging by dealers.

93. The purchase schedule for four years 1892-93 to 1895-96 were looked into with a view to seeing whether all articles of jewellery purchased were brought out into the jewellery register and the following remarks suggested themselves:-

94. The value of jewellery is increased in the case where a commission has been given in the same way that the value is decreased by a discount; a sum of Rs. 223/- paid on account of commission has not been taken into account in noting the values in the register.

95. A sum of Rs. 2988-11-1 paid on account of fragments of bills due from July 92 includes a sum of Rupees 434-2-7 on account of commission on a bill which had been settled in full by the former Controller, he holding

that 5 % commission was too much; a rate of 1¾ % was allowed and the fact made known to the firm. Yet in December 1894 the old claim was put forward and met. It is difficult to trace the actual items these balances appertain to in the register.

96. Much inconvenience, delay and confusion arises in not meeting charges as they are incurred, it should be made a standing rule to pay up bills at once and to take from the firms an acquittance in full of all demands to date.

97. Besides the jewellery register there are two other registers maintained, viz. -

98. One for the purchase of gold to be converted into jewellery &c, and one for the purchase of silver articles &c.

99. In the former the purchases of gold were checked to a certain extent only as some items which should have been brought on it were omitted and others which were not necessary were included, e.g. "May 1893, value of gold and silver in "Treasury stock remaining out of that bought for the "marriage supply of Subramanyaraj Urs' son" omitted.

Nov. '93 "Parcel charges and insurance" - included.

Items are also often jumbled together, e.g. Jan. '93 cost of flannel, rubies , iron cot &c Rs. 237-8-3.

100. The silver articles register is not up to date shewing transactions from December 1881 to March 1892, only and hence could not be checked.

101. Receipts at present are very often taken from the person thro' whom payment is made instead of the payee's receipt which is irregular.

102. 4. Gifts for marriages &c - There is a regular fixed scale for presents to employees for various occasions.

103. Subscriptions and other payments made by H. H's personal orders are also included under this head.

104. 5. - Miscellaneous Charities. A lump sum is made over monthly to Her Highness who uses it as a private purse.

D - Marahamat Works.

105. This head is entirely under the direct management of the Palace Controller who looks into all details.

Remarks.

106. For considerable works -

estimates are prepared but no fixed limit exists beyond which this is compulsory.

Owing to special new buildings.

Intd/. K.S.

107. The cost of this Department seems to be out of proportion to the whole income of the Palace.

E - Tours.

108. The Durbar Bukshi is usually entrusted with arrangements, he draws a lump sum in advance and submits bills in adjustment.

Remarks.

109. Sufficient discrimination is not exercised in adjusting various charges which are incurred during a tour, and which would have to be incurred any how, to their proper heads.

Is this classification worth the trouble as regards say the Palace Kitchen, stables &c.

Intd/ K.S.

110. For instance supplies of all kinds purchased during a trip would have to be procured in any case and should not be charged to the tour but to the department concerned.

111. Only bona-fide extra charges involved by the tour such as freight, special trains, extra hire of conveyances or special establishment should be charged to it and all ordinary charges should be distributed to their proper heads.

112. When the Durbar Bakshi submits his accounts they should be -

27

carefully gone through and each item properly classified.

113. The existing practice swells the charge for "tours" unnecessarily and causes variations in the cost of the various departments which makes it difficult hereafter to form reliable estimates.

F - Schools.

This charge does not include establishments but only supplies which are furnished thro' Mothikhana.

114. There should be some fixed standard to go by such, for instance, as a scale of scholars and estimates of average cost per student.

G - Extraordinary charges.

115. These are usually incurred direct by the Controller the more important charges being sanctioned by Her Highness;

H - Debitable to Govt.

These charges include the following:-

(1) Kille Kacheri.

Designation.	No.	Cost.
Clerical.	12	Rs. 342/.
Barr Infantry.	513	" 3624/-
Body Guard.	46	" 588/.
Gunners.	25.	" 173/.
Buglers.	3	" 20/-
Band	51	" 681/.

Tempy. establishment.	20.	Rs. 123/-

About Rs. 5,552/ p.m.

(2) Fixed allowance to temples Rs.1272

116. The Barr Bakshi submits a bill in detail for the whole which is treated similarly to those of other departments the usual abstracts being submitted to the Controller.

117. There is a monthly muster by the Commandant and Bakshi at which the guards for the ensuing month are arranged.

118. A distribution list is furnished to the Controller who is then enabled to identify each individual's responsibility.

Remarks.

119. All Palace service being hereditary there is not the same necessity for record of monthly details; so long as the correct numbers are present, and the proper amount due is not exceeded, little else is required.

Securities & Investments.

120. The following are held either on behalf of the Personal Estate by the Civil Comptroller or by the Palace Controller:-

(a) Govt. of India
Pro. Notes. Rs. 9,99,000/- At
3~~0~~3½ % Comptroller should state
whether converted or not.

(b) Mysore Debentures Rs.2,94,500/
carry interest @ 5%

(c) 16000 Kempinkote Gold Mine
shares - - Rs. 52,402-10-7

of no value at present.

(d) Mysore Masonic Hall Debentures
Rs. 4,000/-

carry interest at 5%

(e) Mysore Race Course Debentures
Rs. 5,000/-

Carry interest at 5 %

(f) Poona Metal Manufactory
Rs. 5,00~~0~~/-

Debenture not yet received,
purchased in March 1894, nothing
known about the concern.

(g) Fixed deposit in the Madras
Bank Rs. 50,000/-

It is not known how the ac-
count stands, there was some diffi
culty in 1895 after His late High-
ness's death.

The deposit is renewable
every three years and interest
at 5 % is allowed, payable at the
rate of Rs. 75,000/- once in three
years. This matter should be look-
ed into and set straight.

Nor do I.

Intd/. K.S.

What does this mean the deposit has been renewed.

Intd/. K.S.

121. The Palace Controller should keep a separate account of interest to which all interest as recovered should be credited, the entries corresponding to similar ones in the classified

abstract.

Loans and Advances &ca.

122. Loans, Advances &c on 30th June 1896 Rs. 5,08,141-10-4. Under advances recoverable which include loans bearing interest and others not bearing interest are the following:-

(a) Advances to contractors & others.	Rs.72,439-11-7
(b) Loans bearing interest.	"1,53,349-2-1
(c) do. not bearing interest.	1,85,139-14-3
(d) Recoverable from Govt. vide list below	9,296-14-1
(e) Deposits with Banks & firms on running accounts.	87,916-0-4
Total Rs.	5,08,141-10-4

123. (a) Includes advances recoverable as well as advances to contractors, and these should be shewn separately.

(b) A separate account should be kept of each interest bearing loan and all transactions either of recovery of principal or interest should be shewn therein.

(c) Similar details of these loans should be shewn each loan of over a fixed amount say Rs. 500 being separat ly recorded and a lump account being kept of all those below this sum.

Certainly I asked for this being done long ago.

Intd/. K.S.

(d) 1893 March to Superintendent of Kheddas for freight of elephants lent Rs. 1,138-5-3

Octr. Dewan's Office for Khillats. 5,026-12-3 A

1894 July for necklace &c for Mysore Order 2000-1-0 A

To Krishnasami Rao, Dewan's Office, Rs. 60-0-0

1896 Feb. To Deputy Commissioner, Mysore District, on account of Viceroy's visit. Rs.1021-11-10

May - To Venkataramiah, Dewan's Office on account of Travancore Prince's visit. Rs. 50-0-0

Total Rs. 9,296-14-1

Palace Controller should recover or adjust as early as possible.

Intd/. K.S..

Note.- Of this sum Rs. 7,026-12-0 (items marked A) have recently been recovered leaving a balance of Rupees 2,270-2-1 still outstanding.

124. I have picked these out of the "advances recoverable" they should be charged off to Government at once and in future any sum spent or advanced on Government account should be immediately charged off, leaving the Civil Comptroller either to recover or adjust the amount as may be necessary.

Yes.

Intd/. K.S.

(e) Separate accounts should be kept with each Bank or Firm, each time a cheque is drawn on or a remittance made to them corresponding credits and

debits being recorded in the accounts concerned. Similarly on receipt of accounts or pass books, those items which have not before been passed to these accounts should then be entered so that a proper balanced account shall always be available.

125. The following balance of items charged off in 1885 but still held for recovery is outstanding, a separate account is kept shewing progress of adjustment

Rs. 76,564-1-9.

Compilation of Accounts.

126. The preceding remarks record the existing practice in regard to the several methods of accounting for expenditure under the several heads and the suggestions I have to offer on the subject.

127. I now proceed to deal with the compilation of the various items into an abstract and the returns to be submitted to the Civil Comptroller.

128. Classified Abstract - A classified abstract has been introduced in the Palace Controller's Office which points to an appreciation of the need for some such compilation.

129. Owing to the defective system

of accounts however and to the absence of proper exchange Accounts between the Civil Comptroller and the Palace Controller this classified abstract is by no means an inclusive one; it does not work up exactly to any particular result and bears little comparison to the budget figures entered, and these budget figures do not seem to be the result of any particular calculation or to be specially authorised by any one. On the whole therefore the abstract as at present prepared is unreliable and of little use.

No discovery, but result of the system, under which the Palace Controller only deals with a part of the accounts. Vide my Memo on proposed Draft instructions.

Intd/. K. S.

This is exactly what I have ~~found fault with~~ the other day on examining the Civil or Govt. Comptroller's Accounts.

Intd/. T.R.A.T.

9-3-1901.

130. A careful examination of the Comptroller's accounts for a year and a half has led to the discovery that the larger number of items debited by him to the Palace Controller are never advised in detail to the latter so that the abstract prepared by the Civil Controller at the end of each year does not agree with the Palace Controller's abstract and no attempt is made by the latter to reconcile the difference. Whatever balance the Civil Comptroller happens to shew being accepted as correct.

Not intended Sd/ K.S.

131. The Palace Controller's abstract does not therefore represent the entire actual transactions of the period whatever it may be but only such ll under his personal

Not intended.

Intd/. K.S.

He does not finance for the Palace but only accounts for what he receives.

Intd/. K.S.

Here again the difficulty of reconciling the two accounts.

Intd/. T.R.A.T.

knowledge; he therefore never has any accurate knowledge of the financial position of the Palace and has no means of watching progress of expenditure against such budget limits as may have been fixed.

132. As regards receipts he keeps no classified abstract at all and he has no means of knowing what the Civil Comptroller may realise from time to time on behalf of the Palace.

No remedy required or intended, under the system the Civil Comptroller submits annualstatement to H.H. thro' me. Palace Controller not expected to do this. Civil Comptroller may, has always done this. Lists of transactions were prepared to help Mr. Biddulph to know what he could not well know from Palace Controller, and not intended to supply any defects.

Intd/. K.S.

This is exactly what I have noticed.

Intd /. T.R.A.T.

133. An attempt has been made to remedy matters by the recent preparation by the Civil Comptroller of a detailed list of transactions for the years 1894-95 and 1895-96 but this is not a regular balanced monthly account and does not answer the required purpose. It bears no date and seems to have been prepared since my examination of the Palace Accounts became imminent.

Please see my Memo on Draft instructions.

Intd/. K.S.

This is exactly what I suggested before reading this report - which I have done this day for the first time.

Intd/. T.R.A.T.
9-3-1901.

134. The Civil Comptroller and the Palace Controller should exchange a regular monthly schedule which should include all transactions by the Civil Comptroller on behalf of the Palace and by the Palace Controller on behalf of Government so that the Palace Accounts may contain every transaction up to date whether it be those occurring on the spot or such as occur

He cannot manage it.

Why? Intd/. K.S.

Certainly. This is the proper course to do. Intd/. T.R.A.T.

The Civil Comptroller is required to audit. When he wants materials for audit, provide for their being supplied. The limits of the Civil Controller's functions to paying the Civil List amount is most undesirable. H.H. does not, I understand, desire any such limitation but rather wants the Civil Controller to audit and Control and I believe Mr. Biddulph now thinks the same desirable.

Intd/. K.S.

It is this system that has caused all complications. Intd/. T.R.A.T. 9-3-1901.

Yes, for audit purposes.

Intd/. K.S.

True but the Private Secretary should be asked to communicate H. H's orders to the Civil Controller and then the latter could be expected not to audit and pass without such authority.

thro' the agency of the Civil Comptroller.

135. And in this connection I think it would be better for the Palace Controller to liquidate all his own bills incurred elsewhere than at Mysore himself by cheque or draft.

136. At present in some cases he does this and in others applies to the Civil Comptroller to arrange for the payment; as the latter exercises no power of audit over such bills there is no object gained in asking him to pay them, and his functions in the matter might be limited to providing funds out of the Civil List grant at such agencies as the Palace Controller may require them.

137. Monthly abstract for Civil Comptroller - The Palace Controller submits a monthly account to the Civil Comptroller.

Remarks.

138. This of course is not an inclusive account for the reasons already given. It is accompanied by vouchers for all sums of Rs. 100/- and over.

139. From what I can gather and from an examination of these account and vouchers no attempt is made in the

If any audit is at all required some such plan is essential.

Intd/. K.S.

~~This plan has failed as far as I could see.~~

Intd/. T.R.A.T.
9-3-'01.

~~Quite agree with H. Sid-Ralph.~~

~~Intd/. T.R.A.T.~~

Civil Comptroller's Office to apply any audit to them, indeed as he has no copies of orders, contracts &c. It is quite impossible for him to apply any sort of effective check.

Yes, but an audit is essential.

Intd/. K.S.

~~Be proceeded with soon.~~

~~Intd/. T.R.A.T.~~

140. Either these accounts and vouchers should be properly audited or should not be furnished.

Very true; H.H. alone can decide whether the Palace Controller is to be both the Accounting and Controlling authority, a combination of duty and power, which H.H. very rightly does not wish.

Intd/. K.S.

~~Exactly. This has been done result.~~

~~Intd/. T.R.A.T.~~

141. Their submission tends to relieve the Palace Controller of a certain amount of responsibility and to encourage the idea that his examination of bills, vouchers &c not being final need not be very rigid and as they are not as a fact audited by the Civil Comptroller they run the risk of not being properly dealt with anywhere.

Budget.

One is sanctioned the sanction should be communicated by the Private Secretary to the Civil Controller.

Intd. K.S.

~~Not strictly observed.~~

Intd/. T.R.A.T.

142. So far as I am aware no regular Budget is methodically prepared and sanctioned at the beginning of each year.

143. Certain figures are entered at the head of the classified abstract but they do not seem to be the result of any careful consideration of probable transactions, and, such as they

are, they are not adhered to.

144. I need not point out the extreme importance of a carefully prepared Budget.

The Civil Controller should have an opportunity for doing this.

Intd/. K.S.

145. Once the figures are decided upon the progressive expenditure under each head should be carefully watched and when it exceeds the proper limit the fact should be brought to the special notice of Her Highness in view to avoidable expenditure being reduced until equilibrium is again secured.

This is never done. ~~This is what I remarked the other day to Mr. Subrayor.~~

Intd/. T.R.A.T.

146. And here I would again insist on the necessity for some standard of expenditure in the various departments where such can be approximately fixed.

Submitted for consideration.

Intd/. K.S.

147. I have alluded to the matter elsewhere and endeavoured to collect the materials for such a standardbased on the actual state of the various departments on a given date.

148. I think that it would be move in the right direction if the entire salaried establishments were overhauled by a committee in view to examining the title of each individual to the office he holds; the opportunity then afforded might be utilized to classify the establishment of each department and definitely fix the number and salaries of each class the result being incorporated in a printed

Submitted for consideration.

Intd/. K.S.

The sooner this is done the better.

Intd/. T.R.A.T.

list which might be revised as occasion requires on definite sanction by the proper authority.

149. At present the only authority on which a large number of individuals draw pay is that they have been doing so.

150. I have prepared a Budget for the ensuing year based upon a careful examination of figures and scrutiny of account for some years past taking into consideration the existing state of affairs.

151. I have thought it best to re-classify the heads of Receipts, and disbursement to secure a more suitable distribution of charges and to afford a better means of check over the progress of expenditure under the various heads than at present exists.

Provisions for marriages, Dowers &c. &c.

My estimates provides for an income from all sources of Rs. 15,10,600/-
and expenditure. " 14,56,000/-
shewing a surplus of Rs. 54,600/-

after providing 3 lacs for the third Princess' marriage expenses.

152. It was expected that 4 lacs a year might be set aside to provide for marriage expenses, dowers and resi-

dences

31

of the children of H.H. the late Maharaja and to secure an independent provision for H.H. the Maharani, but it is doubtful if this expectation will be realised.

I fear not with the present scale of expenditure.

Intd/. K.S.

153. As stated above the estimated income amounts to Rs. 15,10,600/ including 3 lacs for the marriage expenses of the third Princess should it, as may be expected, take place during the year 1897-98.

While the Expenditure is placed at Rs. 14,80,000/-

154. The following estimates were originally framed for marriage expenses, dowers, &c of the family of H.H. the late Maharaja.

(a) Marriage expenses of three daughters and one son Rs. 6,00,000/.
(b) Jewels for do. 8,00,000/.
(c) Dowers to one son 10,00,000/-
(d) to 3 daughters. 15,00,000/-

total 39,00,000

to provide for this there exists:-

(e) Jewels Rs. 9,00,000
(f) Investments 13,00,000/-

Total 22,00,000/-

155. It is as well to point out at once that the expenses of marrying the two elder daughters have already amounted to the estimate for all four children.

156. There remains a third daughter

and one son and at the same rate they will cost six lans.

157. The above may therefore be taken as the liabilities still to be met. There is therefore a deficit of 17 lacs besides such provision for Her Highness' personal requirements as may be possible to make.

158. How then to provide the required amount has to be considered.

159. As H.H. the Maharaja will come of age on the 4th June 1902 the necessary savings must be effected between this and then, i.e. during the five financial years 1897-98 to 1901-02.

160. There seems no reason why, accepting the estimates I have framed independent of the special charges for marriages there should not be savings of about four lacs a year; and it is quite possible that under the "optional heads of expenditure some further economy might be practised.

Submitted.

Intd/. K.S.

161. Under D Purchases and E Maramat the estimates might be reduced to $1\frac{1}{2}$ lacs and $\frac{1}{2}$ a lac respectively shewing a saving of 2 lacs under these two heads which indeed are the only ones susceptible of economy.

162. Roughly speaking then it might be possible during the five years to save at the rate of 5 lacs a year, or

Paras 152 to 162 require very careful separate consideration.

Intd/. K.S.

in all 25 lacs. This will, after recovering the deficit of 17 lacs, leave 8 lacs as a provision for Her Highness

Final Remarks.

163. A classified abstract in an improved form and a Budget estimate for the year 1897-98 are appended.

This sketch is in the Draft instructions.

Intd/. K.S.

164. If the various suggestions made in the review of the present system of Palace Accounts be accepted, a brief sketch of the system as a whole and as revised in the light of my remarks will be submitted, and if circumstances permit arrangements will be made to assist the Palace Controller to introduce the same when opening his books for 1897-98.

Mr. B. is now able, and promises to do this as far as possible.

Intd/. K.S.

I quite agree.
See my Memo regarding Draft instructions regarding Palace Accounts.

Intd/. K.S.

165. It may be as well to state that nothing contemplated in my suggestions need interfere with any check or control which it may be thought right to entrust to the Civil Comptroller. The object I have had in view has been to make the Palace Controller's accounts complete and inclusive so that he may know exactly how expenditure is progressing and what his balance is; to leave him in ignorance of this is to withdraw one of the great aids to economy.

This is very essential.

Intd/. T.R.A.T.

166. Besides, being on the spot, he

Certainly.

Intd/. T.R.A.T.

is better able to bring to notice of H.H. any probable excess and the danger of exceeding any particular Budget provision.

167. At present he cannot say positively how his accounts stand under certain heads, and he is more or less at sea as to the exact financial position of the Palace.

168. On the other hand he will still continue to submit extracts of his accounts with vouchers to the Civil Comptroller who can continue to exercise the same control and make the same compilations as formerly.

Summary of Proposals &c.

1. The opening of a direct account between the Palace Controller and the Mysore Branch of the Madras Bank.

2. The removal of the "Unadjusted balances" from the Palace Controller's cash balance.

3. Improvements in standard list and monthly bills of stipendiaries.

4. Improvements regarding Palace Pensions and permanent payable orders Register.

5. Improvements in establishment bills and registers.

6. The classification of establishment and supplies by departments.

certainly.

Intd/. E.R.A.T.

This is the Palace Controller's difficulty.

Intd/. T.R.A.T

Yes. He should however be furnished with materials for an effective audit, such as the consideration of H.H's orders by Private Secy., which I elsewhere suggest.

Intd/. K.S.

Has this been done? Particulars wanted.

Intd. T.R.A.T.

Yes.

Intd/. K.S.

Yes.

Intd/. K.S.

That an attempt be made to fix an approximate standard for the cost of each department.

Yes.

Intd/. K.S.

8. That more systematic arrangement be introduced for the registration of articles brought on stock.

9. That in adjusting advances for tours care be taken to charge off expenditure against proper departments and heads.

As far as possible.

Intd/. K.S.

10. That separate accounts of Interest and other sources of income be kept.

Is this done?

Intd/. T.R.A.T.

Yes.

Intd/. K.S.

11. That the account of loans and Advances be kept in greater detail, separate accounts being kept of the more important.

Exactly. This is what I am now trying to get from 1st July 1895.

Intd/. T.R.A.T.

Vide abn Lr. K. Shankar Iyer's order R/B-3—1895 on This Subject re keeping detail accts of Loans.

12. Separate accounts should be kept with each agent to be regularly compared with pass books or accounts current.

Yes.

Intd/. K.S.

13. A more systematic compilation of of transactions into a proper classified abstract.

Together with control and efficient audit by the Civil Controller.

Intd/. K.S.

14. The regular exchange of accounts between the Palace Controller and the Civil Comptroller.

Yes.

Intd/. K.S.

15. The preparation of a properly considered annual Budget.

16. The financial position discussed and suggestions of ways and means to meet various important charges.

Sd/. T.H.S. Biddulph

Deputy Auditor General.

Bangalore

15th April 1897.